

# Evaluation of the Demographic Criteria Impact on the Willingness of Customers to Purchase

## (Case Study: Evaluation of five different brands of shampoo brands in country)

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### ABSTRACT

The market consists from buyers and the buyers are different. Buyers' differences with each other are greater in the demands, resources, geographical location, their beliefs about purchase and their purchasing procedures. The present study sought to determine the presence or absence of relationship between demographic factors (age, gender, number of family members, income, job and education customers) of Market Segmentation and increase customers tend to buy shampoo. On this basis after the design of theoretical principles of consumer behavior and market segmentation, a questionnaire containing questions about personal attributes and tend to buy is designed and among 140 customers were distributed in Khalkhal city. After collected the questionnaire data from 133 questionnaires were analyzed and desired hypotheses about criteria of demographic impact of the market segmentation on increasing customers tend to buy were tested.

**Keywords:** Demographic Criteria, the Willingness of Customers, Purchase, Different Brands

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### 1. INTRODUCTION

Companies that are active in the markets of consumer and industrial know that do not have the ability to meet the needs of all buyers. Because buyers are abundant and also much dispersed geographically, they are different in the term of demands, access to resources, geographical location, buying attitudes, and practices and also in terms of ability and talent to serve different market segments have different capabilities. In fact Segmentation of the market is response to various potential of customers and the optimal use of corporate resources. So it is better companies choose parts of the market for its activities that its capabilities are most In serving instead of active in perfect market and against top competitors ( Ahmadi,2004). Increased competition, changing business environment and globalization are the major changes (Alipour & et al, 2012). In today's business environment is characterized by increasing competition (Ziakhosooosi & et al, 2011). Any country does not live in complete separation from other countries. (Gilaninia& et al, 2012, Eilbeigi & et al, 2012).One of the main goals of each company is increase sales and market share and is thus more profit and such a goal is also working goal in Shampoo factories that often without regard to the strategy objectives is segmenting their markets and when manufacturing kind of product cannot satisfy demand potentially desired Section. This causes wasted vital resources of company and the company can not to meet the needs of customers as well. This reduces the market share of manufacturing companies. The present study investigates that is there relationship between demographic factors of the market Segmentation and customers tend to buy shampoo?

### 2. LITERATURE REVIEW

The market consists from buyers and the buyers are different. Buyers' differences with each other are greater in the demands, resources, geographical location, their beliefs about purchase and their purchasing procedures (Kotler, 2000, p299). Thus the acquisition of all groups buyer with a type of product and similar marketing approach is not possible. Today, due to the large number of buyers and their wide dispersion, which have different needs and when buying also use from different methods. Today's to develop and survival in economic competition, companies and organizations should be given special importance to customer orientation and build strong relationship with the buyer of goods (Abbasi, Torkamani, 2010, Gholami, Gilaninia ,2012). Companies lifted from the mass marketing approach and tend to marketing based on segmentation. This type of marketing helps to companies for better use from their marketing opportunities. Marketing based on parts of the market compared to mass marketing has several advantages. With the development of international economy and competitive markets (Taheri & et al, 2011) Companies can provide their products with greater efficiency. They identify specific markets of their products or services and provide the best service. Companies can also use a kind of elegance in the products or services, prices and program administrative may provide needs of the target

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sectors of the market (Kotler, 2000, p301-302). Considered point in market size: there is not a fixed basis for segmenting that company classified markets according to it. But for segmentation, there are many variables and foundations that must due to the nature of product (services) and markets chose the appropriate basis for segmenting the market (Ahmadi, 2004).

Shampoo companies are segmenting of the markets often without regard to its strategic objectives, and when they produce a product for a part, cannot meet intended part potential demand. This makes to waste the vital resources of company and the company is unable to meet the needs of customers as well. So the main question of research includes:

Is there relationship between demographic factors of the market segmenting and the willingness of customers to purchase shampoo?

In this study is examined relationship between demographic criteria of the market segmenting and the willingness of customers to purchase shampoo that analytical model is presented in Fig (1).

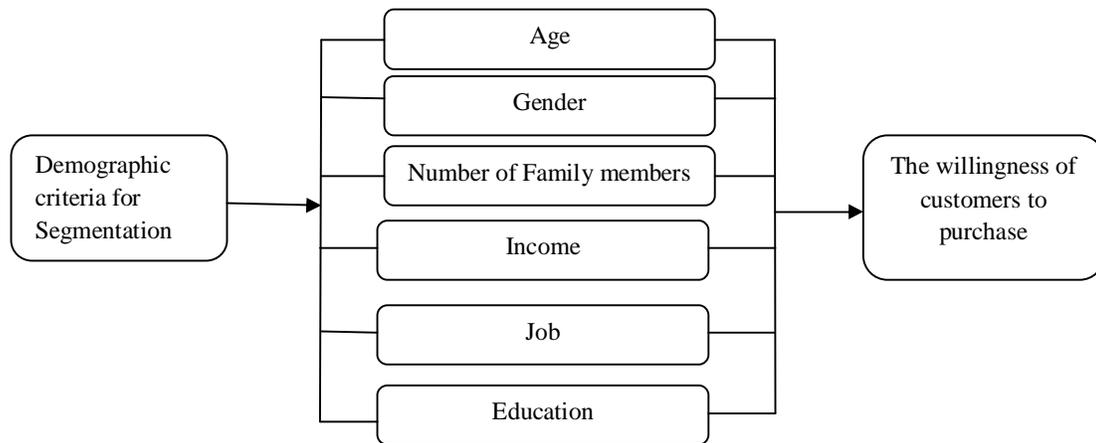


Figure 1) analytical model of research

One of the issues raised in each country's economy is achieving to a sustainable growth in long term (Gilaninia, Salimi & et al, 2012; Ali Mohammadi Karnagh & et al, 2012). In a market (industrial or consumer), consumers have different needs, resources and attitudes. One way to understand the differences between potential buyers through segmentation, they has classified into different groups. Management strategy that matched marketing mix of a company with various demands of customers in a market to best way is called market segmentation (Wilkie, 1994, p88). There is no single method for segmentation. A marketer to achieve the best ways to study the market structure should be testing segmentation variables into a single or combination. In this study, segmentation is examined based on demographic factors.

#### **Segmentation based on demographic factors**

Segmentation based on demographic factors, means market dividing into different groups based on demographic variables such as age, gender, that number of family members, family lifestyle, income, occupation, education, religion, race or nationality. Demographic factors are the most common criterion for dividing the market into different groups of customers. Because often demands, needs and consumption of each customer show a significant change in changing demographic variables and also measure demographic variables is much easier to of other types of variables. Even in the event market is dividing based on factors such as personality or behavior, still aware of the demographic characteristics is necessary for accurate estimates of market size and to achieve effective to it (kotler, 2001, p296).

#### **Advantages of Market Segmentation**

Market segmentation for the manufacturer or seller at least has the following advantages:

- 1 - It can test satisfy of any part against supply of competitors. If customer satisfaction from competitors' products is low thus it can use this opportunity to sell their products (Roosta, 1996, p122).
- 2- By using acquires the information from each retail market can proportional to different markets allocated proper marketing budgets to them (Roosta, 1996, p122).
- 3- Identify difference between customer is key to successful marketing strategy. So that makes services and products of company must conform to customers' requirements (McDonald, 1995, p15).
- 4- Segmentation is resulted marketing based on special sections. Appropriate place for the company that can meet customers' needs in particular sector (McDonald, 1995, p15).

5- Segmentation analysis helps to company in identifying existing gaps of the market. This, especially in markets that are saturated or declining offers opportunities to produce and supply new product (McDonald, 1995, p15).

6- Segmentation helps to understand the exact needs and characteristics of customers. This makes that marketing plan is designed proportional to market (being developed) to the company to achieve competitive advantage (Dibb, 2001, P609).

7- Segmentation of the market helps to companies that have limited resources and market share is small, to identify sectors that have less risk and their marketing activities develop for their sector (Dibb, 2001, P609).

### **3. The Significant of the Study**

Given that today's in market of products supply is more their demand and different companies provide different types from products to market with different features and on the other hand consumers, unlike the first half of the twentieth century (until 1960 due to the scarcity consumer was bought any product that provide in market) Only buy products that better meet their needs and desires (Gholizadeh, 2003, p4). Thus today, marketers through recognition of market must collect first all of information of overall and slightly and according to preferences, needs, reactions and facilities of buyers identified retail markets and then product produced and marketed according to their needs and desires and through market segmentation choose part of the market that the company can meet their needs better and more effectively. Because the survival of a commercial business is depends on satisfy customer needs and demands and they also have different desires and needs. They consists separate market completely. According to these variables, there is a lot basis for the market segmentation to satisfy of these needs. Thus choose the best and most appropriate basis for the market segmentation is extremely important because selected basis will ensure first segmentation strategy successfully and then the company success.

### **4. Research Hypotheses**

#### **4.1. Main Hypothesis**

There is relationship between demographic factors of the market segmentation and increasing the willingness of customers to purchase shampoo.

#### **4.2. Sub hypotheses**

1- There is relationship between segmentation based on gender of customers and increasing the willingness of customers to purchase shampoo.

2- There is relationship between segmentation based on age of customers and increasing the willingness of customers to purchase shampoo.

3- There is relationship between Segmentation based on Number of Family members of customers and increasing the willingness of customers to purchase shampoo.

4- There is relationship between segmentation based on income of customers and increasing the willingness of customers to purchase shampoo.

5- There is relationship between segmentation based on job of customers and increasing the willingness of customers to purchase shampoo.

6- There is relationship between segmentation based on education of customers and increasing the willingness of customers to purchase shampoo.

## **5. RESEARCH METHODOLOGY**

Research methodology in this study is correlations and type of descriptive – applied. The study population consist shampoo customers in Khalkhal city. Statistical sample included 140 people have been provided based on the relationship; have chosen from customers of shampoo in Khalkhal city. Data collection tool is Questionnaire. In this study, 140 questionnaires were distributed that so seven incomplete questionnaires that ultimately, 133 questionnaires were used in data analysis. For validation of questions in the questionnaire in this study has been use from retest methods for measuring with time interval 10 days validation. Reliability results of the questions in the questionnaire are more than 70% with 10% error level is obtained that indicates the questionnaire is reliable. Chi-square test has been used for data analysis. Cramer's v is used to rank from variables.

## 6. Data Analysis

Table 1) summarizing results of hypotheses

Hypotheses	Variables	df	Chi-square of table	calculated Chi-square	Result
First hypothesis	Gender and the willingness of customers to purchase	4	9.48	35.72	Confirmed
Second hypothesis	Age and the willingness of customers to purchase	4	21.03	45.21	Confirmed
Third hypothesis	Number of Family members and the willingness of customers to purchase	12	21.03	67.81	Confirmed
Fourth hypothesis	Family income and the willingness of customers to purchase	12	21.03	68.26	Confirmed
Fifth hypothesis	Job and the willingness of customers to purchase	12	21.03	75.22	Confirmed
Sixth hypothesis	Education and the willingness of customers to purchase	16	26.30	108.56	Confirmed

**First hypothesis:** As can be seen in the 95% confidence level calculated chi square is more than chi-square of statistical table. Thus first hypothesis is confirmed and there is relationship between segmentation based on gender of customers and increasing willingness of customers to purchase shampoo.

**Second hypothesis:** As can be seen in the 95% confidence level calculated chi square is more than chi-square of statistical table. Thus second hypothesis is confirmed and there is relationship between segmentation based on age of customers and increasing willingness of customers to purchase shampoo.

**Third hypothesis:** As can be seen in the 95% confidence level calculated chi square is more than chi-square of statistical table. Thus third hypothesis is confirmed and there is relationship between segmentation based on Number of Family members of customers and increasing willingness of customers to purchase shampoo.

**Fourth hypothesis:** As can be seen in the 95% confidence level calculated chi square is more than chi-square of statistical table. Thus third hypothesis is confirmed and there is relationship between segmentation based on family income of customers and increasing willingness of customers to purchase shampoo.

**Fifth hypothesis:** As can be seen in the 95% confidence level calculated chi square is more than chi-square of statistical table. Thus third hypothesis is confirmed and there is relationship between Segmentation based on Job of customers and increasing willingness of customers to purchase shampoo.

**Sixth hypothesis:** As can be seen in the 95% confidence level calculated chi square is more than chi-square of statistical table. Thus third hypothesis is confirmed and there is relationship between segmentation based on education of customers and increasing willingness of customers to purchase shampoo.

Table 2) demographic criteria for ranking Market Segmentation

Ranking	Demographic criteria for Market Segmentation	Cramer's v coefficient
1	Gender	0.559
2	Education	0.452
3	Job	0.434
4	Family income	0.414
5	Number of family	0.412
6	Age	0.337

## 7. Conclusions and Recommendations

There are many variables and principles for market segmentation that each of it has its own advantages and disadvantages. Therefore features identifying each of the variables and principles and position of use will help to the company to achieve the objectives of segmentation. Demographic criteria of market segmentation in this study were raised as six hypotheses that analysis of each hypothesis, intensity of relationship between these criteria was evaluated with encouraging customers to buy that were rankings based on obtained results: First sex, education ranked second, third job, family income ranked fourth, family size ranked fifth and age ranked sixth. According to these results the following suggestions are offered:

- 1- According to first hypothesis because gender has most intensity of relationship with increasing willingness of customers to purchase the shampoo Therefore is recommended to producer companies of shampoo that their markets classify on the basis of gender.
- 2- Given that age is effective on willingness of customers to purchase the shampoo. Therefore is recommended to producer companies of shampoo that Identify the needs and demands of different age groups and products produced and marketed accordance with the needs and desires.

- 3- According to there is relationship between segmentation based on family size of customers and increasing willingness of customers to purchase shampoo Therefore is recommended to producer companies of shampoo that Shampoo produced and marketed with different volume to market.
- 4- According to fourth hypothesis family income is another factor that affects in selection and purchase shampoo. Because income distribution is not equal in different market segments, therefore tend to attract price-sensitive sectors can be better shampoo with reasonable prices market to different segments.
- 5- Job is also one of the factors that is effective on willingness of customers to purchase shampoo. Individual job due to income and social prestige is caused that person in choice and purchase goods consider their own occupational status. Therefore is recommended to producer companies of shampoo that identify needs and demands different groups of job in various market segments. Products produced and marketed accordance with the needs and desires.
- 6- According to sixth hypothesis, education is another factor that affects the selection and purchase shampoo. Because educated people are more aware about advantages and disadvantages Shampoo. Therefore is recommended to producer companies of shampoo that with identify their needs and demands, Products produced and marketed accordance with the needs and desires.
- 7- According to confirm hypothesis and the impact on all dimension of the demographic increase willingness of customers to purchase shampoo is recommended Enterprises rather than reliance on a method for segmenting the market use a combination of these factors.

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